

Hackney Housing Strategy 2017-22**KEY DECISION NO.****CABINET MEETING DATE****27 November 2017****COUNCIL MEETING DATE****24 January 2018****CLASSIFICATION:****Open****If exempt, the reason will be listed in the main body of this report.****WARD(S) AFFECTED****All Wards****CABINET MEMBER****Mayor Glanville****KEY DECISION****Yes****REASON****Affects Two or More Wards****GROUP DIRECTOR****Kim Wright Neighbourhoods and Housing**

1. CABINET MEMBER'S INTRODUCTION

- 1.1 Despite the Council's ambitious housebuilding programme and other actions, Hackney is experiencing an unprecedented housing crisis. We face a range of challenges as a result of national government policy, market pressures, and changing demands for housing.
- 1.2 Too many people in the borough cannot take advantage of the opportunities London offers because of the lack of genuinely affordable, high-quality and stable housing. Our year-long engagement with residents, 'Hackney: a place for everyone', showed that housing affordability is the top concern for residents.
- 1.3 The cost of buying or privately renting a home in Hackney has risen even more sharply than in other boroughs, and over 12,500 people are on our waiting list for social housing. At the same time, Government welfare reforms mean that families on lower incomes are struggling to make ends meet.
- 1.4 National solutions are needed to address what the Government itself has called a "broken housing market", particularly at a time of future economic uncertainty as a result of Brexit and a lack of government investment to address the challenges we face. However, this proposed Housing Strategy sets out how the Council and other housing providers and partners, alongside residents, can play their part. We want to build as many homes as we can, target our resources towards those that need them most, and campaign for changes that will help tackle the chronic shortage of affordable housing in London.
- 1.5 The new Housing Strategy includes measures that will help more families access the decent and safe homes they deserve. It sets out the huge challenge before us, and the actions the Council and its partners can take over the next five years to help meet those challenges – such as building on our track record of delivering thousands of genuinely affordable new homes, innovative ways to help residents priced out of the market get onto the housing ladder, and improving our ability to tackle poor standards and practices by private landlords and letting agents.
- 1.6 Increasingly the term 'affordable housing, is contested by those that fear much of the housing being delivered is un-affordable. The Council and myself have been very clear about our priorities when delivering or enabling new housing and rightly focus on delivering genuinely affordable housing. This means that while we have to follow national and regional planning guidance we are committed to letting all of our existing and new rented homes at genuinely affordable social rent levels. Appendix 2 goes into the challenge of definitions in more detail and helps to explain what we mean by genuinely affordable homes.
- 1.7 The steps set out in this Strategy show how we will be a proactive, campaigning Council, standing up for our residents to challenge a broken housing system.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 The Housing Strategy has a key role in helping meet the Mayor's vision that everyone in Hackney has a genuinely affordable, good quality, and stable home. It builds on what residents have told us already, and also recognises the wider

contribution that the Council and other housing providers and partners can make towards building mixed and sustainable communities and improving the health and wellbeing of residents.

- 2.2 The new Housing Strategy has been timetabled and developed to take into account the findings of 'Hackney: a place for everyone', the housing and related policies of a new Mayor of London, and the Government's legislative and regulatory programme, notably the measures included in the Housing & Planning Act 2016.
- 2.3 The Housing Strategy is also fully aligned with the Council's emerging Community Strategy and with the current review of the Local Plan, as well as with the Council's other strategies and priorities.
- 2.4 The Mayor refers above to the huge housing challenges facing the Council and Hackney residents. House prices in Hackney have more than doubled over the past 10 years (rising 76% in the last five years). The positive improvement of better schools, cleaner and greener open spaces, and better transport links mean Hackney is a much more desirable place to live, and the resulting increase in housing demand has contributed to spiralling house prices and rents.
- 2.5 In the face of increased demand, the supply of housing in London across all tenures has not kept pace. For this reason, a major aim of this Strategy is to increase the supply of new housing in the borough, especially of homes that are genuinely affordable to residents on low to medium incomes.
- 2.6 At the same time, we must make the best use of our existing housing stock and assets; for example by improving the effectiveness of social housing lettings; by working with private landlords and enforcing high standards in the private sector; and by making sure that supported housing is still meeting the needs of those that require it. A new Housing Asset Management Strategy, currently being developed, will set out how we use the Council's housing assets in the best way possible, to provide the homes, blocks and estates where people want to live.
- 2.7 But the Housing Strategy is about more than the provision and management of good quality, genuinely affordable homes to help meet the full range of housing needs in the borough. Hackney has experienced significant economic growth in recent years, and we want to see the whole community benefiting from and contributing to that growth, so that no one feels left behind. Housing and housing providers have an important role to play in supporting residents to develop their skills and to find good quality and stable local employment, as well as in helping to meet their health and wellbeing needs.
- 2.8 The Housing Strategy sets out how the Council will respond to these challenges over the next five years.

3. RECOMMENDATION(S)

Cabinet is recommended to:

- 3.1 Agree the Hackney Housing Strategy 2017-22, attached as Appendix 1 to this report.
- 3.2 Send the Housing Strategy to full Council on 24 January 2018 for adoption.

Council is recommended to:

3.3 Formally adopt the Hackney Housing Strategy 2017-22.

4. REASONS FOR DECISION

- 3.1 Cabinet approval of the Housing Strategy is sought in order to provide the Council and its partners with a vision and a roadmap to guide their housing and related activities over the next five years. The Housing Strategy is also intended to provide Hackney residents with a clear and accessible summary of the Council's priorities and approach to meeting the borough's housing challenges over the coming years.
- 3.2 The Housing Strategy priorities and actions have been developed through an 18-month process of engagement and consultation with residents, partners and other stakeholders, including through the following (further details are set out in section 6.4 of this report):
- The Council's engagement project, 'Hackney: a place for everyone', including face to face interviews with residents, a borough-wide survey, and specific housing events for the public and stakeholders;
 - Formal public consultation on the Housing Strategy, including a borough-wide questionnaire survey, a workshop event with housing associations, and updates at meetings with Council tenant and resident representatives and at private tenant focus groups; and
 - Internal engagement with services from across the Council.
- 3.3 Many of Hackney's residents face challenges because of a lack of affordable housing, and this has the potential to worsen in future. It is considered essential to set down a targeted plan of action for the Council and its partners to help meet these challenges and work towards the provision of stable, high quality, safe, and genuinely affordable homes for all Hackney's residents.
- 3.4 The Housing Strategy is underpinned by an evidence base, which is continually updated as new or improved information becomes available. Some of the key facts are:
- The Council and its partners have an excellent track record in the provision of new affordable housing, having delivered 2,850 new homes for social rent and shared ownership over the last five years, the second highest number of all London boroughsⁱ. Despite this, growing demand in London and severe and worsening housing affordability have meant that housing need is rising faster than supply.
 - There is a high existing need for genuinely affordable housing, with over 12,500 households on the Council's housing register, and around 3,000 households accepted as homeless and living in temporary accommodationⁱⁱ.
 - In future, a growing population will also add to housing needs. Hackney's population has grown by over 55,000 people since 2001, to around 274,000. The population is expected to reach over 318,000 by 2031ⁱⁱⁱ.

- The average house price in Hackney is 17 times median household earnings^{iv}, and private rent levels are also very high, with an average rent of £1,820 per month for two-bedroom flat^v - a 36% increase since 2011.
- While the Council's own housing regeneration programmes are currently forecast to deliver over 3,000 new homes during the next 10 years, the number of new homes being built by housing associations in the borough has decreased by an annual average of 80%.
- With some of the highest house prices in the country, many households on low and medium incomes are unable to afford to buy. This has contributed to a rapid rise in the size of the private rented sector, which has doubled over ten years and now houses at least 30% of the borough's households. However, the private rented sector is much less well-regulated than affordable housing and there are problems of poor conditions and management, particularly at the lower rent end of the market.

3.5 The actions in the Strategy set out how the Council and its partners aim to meet the Mayor's housing-related ambitions over the next five years. The priorities and actions are arranged into five key themes which are summarised in the Background section of this report (section 6):

1. Building high quality, well-designed, and genuinely affordable new homes
2. Making best use of new and existing homes
3. Addressing standards and affordability in the private rented sector
4. Meeting people's housing needs and helping tackle housing-related health and support needs
5. Promoting employment and sustainable communities

3.6 Officers have worked to ensure that there is close alignment between the proposed Housing Strategy, the emerging Community Strategy, and the planning policies and guidance being developed through the review of the Local Plan. The Housing Strategy is also aligned with existing housing-related strategies such as the Homelessness Strategy.

3.7 The Housing Strategy is a non-statutory document which, under the Constitution, must be approved for adoption by the full Council. It has regard to the duties placed upon the Council by the Housing and Planning Act 2016. In addition it responds to the housing priorities of the new Mayor of London, elected in May 2016.

3.8 While the Council is not statutorily required to have a Housing Strategy, if it chooses to have one, the strategy must have regard to Section 333D of the Greater London Authority Act 1999 (as amended in 2007) which requires that any local housing strategy prepared by a borough council must be in 'general conformity' with the Mayor of London's Housing Strategy. In other words, the Council's strategy must align with the broad strategic thrust of the London Housing Strategy, but there may be local variations in priorities and policies to respond to local circumstances.

3.9 A new draft London Housing Strategy was published by the GLA in September 2017, and Affordable Housing and Viability Supplementary Planning Guidance in August

2017, setting out the Mayor of London's approach and proposals in key housing policy areas. Hackney officers have an ongoing dialogue with the GLA's housing and planning officers regarding alignment of housing strategy and policies, as well as planning policies and guidance.

- 3.10 In addition, the Mayor of London was formally consulted on the Council's Housing Strategy proposals, and Council officers met with senior managers at the GLA in August 2017 specifically to discuss alignment of the emerging Hackney and London Housing Strategies. It was agreed that the strategies were aligned.
- 3.11 Adoption of the proposed Housing Strategy does not itself have any direct financial implications. The Strategy contains a list of broad actions for the Council and partners that will provide a clear framework for ensuring that available resources are targeted towards meeting need. It is expected that the vast majority of actions could be delivered within existing or identified budgets. However, if the proposed Housing Strategy is agreed, a detailed action plan will be drawn up, and the implementation of each action will be strictly subject to the availability of funding. The action plan will be monitored and a report published on the Council's website annually.
- 3.12 Implementation of the Strategy will ensure a coordinated approach and alignment of funding from all major partners, and will also ensure that best value is obtained from limited sources of external funding, given that the Council's mainstream resources to support the Strategy are extremely limited.

In particular, some key points to note are that:

- A number of the actions for building new homes will actually generate additional funding for new genuinely affordable homes, for example through generating cross subsidy from the sale of private market homes;
- The Mayor's Housing Challenge will help ensure that receipts raised from Right to Buy sales will be retained and used to help fund new affordable homes within the borough; and
- If, as proposed, a new approach to enforcement in the private rented sector includes the introduction of new property licensing schemes, the additional resources required for setting up and running the schemes would be fully recovered from fees charged to landlords.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 As having a Housing Strategy is not a statutory requirement for local authorities, an alternative option for the Council would be not to produce one.

However, it was decided to produce a Housing Strategy because of the benefits that it offers. Some of these are set out below, and all of which could be lost if there was no strategy in place:

- It clearly articulates the Council's proposed response to the huge housing challenges faced by the Council and its residents over the next five years and beyond.

- It provides a clear statement of the Council's vision and priorities for housing, for residents, partners and other stakeholders.
- For Council officers and partners in particular, it helps shape actions and helps target resources towards meeting the highest housing needs.
- Following wide and thorough consultation, it demonstrates to residents how the Council and partners propose to address their housing concerns.
- It shows how housing and other services across Council will work together to help address the housing and housing-related needs and aspirations of residents.
- It highlights linkages and sets out how housing and housing providers can contribute to residents' health and wellbeing, as well as enabling residents to secure training and jobs.
- Together with planning policies and guidance, it provides other housing providers with an overarching statement of the Council's priorities and approach.
- It sets out how the housing aspirations in the Council's Community Strategy will be delivered in the medium term, and informs the development of housing policies and guidance in the current review of the Local Plan.
- It demonstrates to government that the Council is addressing the requirements of the Housing & Planning Act 2016 and other legislative and policy proposals, and to the GLA that the Council's Strategy is aligned with the Mayor of London's Housing Strategy.
- It will directly shape a detailed action plan that will be drawn up and implemented if the proposed Housing Strategy is adopted.

6. BACKGROUND

6.1 Policy Context

The previous Hackney Housing Strategy (2010-2015) was agreed by the full Council in November 2010. In the following year, 2011, the incoming government introduced fundamental reforms to social housing and the welfare system, and an updated Housing Strategy was adopted by the Council in October 2012.

Engagement with residents and stakeholders on refreshing the Housing Strategy began in late 2015, and the new Strategy was timed so that it could take account of the findings of 'Hackney: a place for everyone', the measures introduced by the Housing & Planning Act 2016, and the housing policy and investment priorities of a new Mayor of London, following the mayoral election in May 2016.

Under the Constitution, Article 4, a decision must be sought from the full Council to adopt the proposed new Housing Strategy 2017-22.

Section 3 of this report explains the alignment of the proposed Housing Strategy with other Council strategies and in particular, with the emerging Community Strategy. This section also explains the broad alignment between the Strategy and the Mayor of London's Housing Strategy.

The broad themes of the proposed new Housing Strategy can be summarised as follows (for full details please see the appended Housing Strategy report):

1. Building high quality, well-designed, and genuinely affordable new homes

Maximising housing supply across the full range of tenures and price points, but especially of new homes that are high quality and genuinely affordable to Hackney residents on low and medium incomes. This includes building on the Council's own ambitious new housing delivery programmes, as well as innovative measures such as funding for Housing Associations through the Mayor's Housing Challenge. Appendix 2 to this report sets out what is meant by 'affordable housing', by providing answers to frequently asked questions.

2. Making best use of new and existing homes

As well as maximising new supply, it is equally important to make the best use possible of the existing housing stock in the borough. This means working and campaigning to ensure that all social rented homes lost through the forced sale of Council homes or the extension of Right to Buy to Housing Association tenants are replaced like-for-like within the borough. Measures are also needed to review and improve the fire safety of blocks, and support residents to improve the energy efficiency of their homes.

3. Addressing standards and affordability in the private rented sector

Around a third of Hackney residents live in the private rented sector and new measures are proposed to improve the poor conditions and standards of management that exist, and to bear down on rogue landlords. New purpose-built private rented housing could also help address poor standards, and we will continue to lobby government to improve the affordability and stability of homes in the sector, especially for families.

4. Meeting people's housing needs and helping tackle housing-related health and support needs

Hackney faces severe and wide-ranging housing needs, largely as a result of a lack of genuinely affordable housing and the Government's welfare reforms. Our homelessness work already aims to improve prevention and provide solutions for those threatened with losing their homes. But homelessness and the use of temporary accommodation are both increasing. Housing also has an important role in helping to meet the health and wellbeing needs of residents, and some residents need differing levels of support to continue living in their homes or need access to specialist housing.

5. Promoting employment and sustainable communities

Economic growth in Hackney has been significant in recent years, but the Council wants to see the whole community benefiting from change across the borough, and to ensure that no one feels left behind. A key part of this is supporting residents to

develop their skills and to find good quality and stable local employment, which also has significant health and wellbeing benefits and contributes to reducing inequality. The Council and other housing providers have an important part to play in supporting residents to find work and training, including promoting the initiatives that are available.

6.2 Equality Impact Assessment

An Equality Impact assessment is attached as Appendix 3 to this report. Taken together, the proposals in the Housing Strategy will be overwhelmingly positive for groups with Protected Characteristics. They are intended to help improve the housing and related options for Hackney residents, particularly those on low incomes who are in housing need.

6.3 Sustainability

Some of the proposals for increasing housing supply, whether homes built by the Council or by Housing Associations or other developers, will have impacts on the physical and social environment of the borough. However, the Housing Strategy makes clear that the Council's ambitions are not just about the number of new homes built but equally about creating high quality, sustainable homes and communities.

Actions to achieve this within the Housing Strategy include:

- Meeting or exceeding the design and quality standards for new homes, blocks and estates that promote the health needs of residents, tackle obesity and meet the needs of people with disabilities.
- Ensuring that new housing developments and estate redevelopments contribute to sustainable communities, including by ensuring that residents are served by open spaces and sufficient community facilities to meet existing and future needs, and that residents are able to access the employment and training opportunities generated by these developments.

If the proposed Housing Strategy is agreed, these actions will be developed in a detailed action plan, and they are likely to be delivered through planning guidance in the emerging Local Plan and through housing providers' design specifications, including for the Council's own regeneration and housing supply programmes.

The Council's plans for future enforcement in the private rented sector, including the introduction of property licensing schemes, are intended to improve poor conditions in some parts of the sector and to tackle rogue landlords. These measures will contribute to sustainability through improvements to the physical and social environment in the borough.

6.4 Consultations

While there is no statutory requirement to consult on the Housing Strategy, the Council decided to carry out thorough consultation with residents, partners and other stakeholders, beginning in 2015.

Under 'Hackney: a place for everyone', the Council heard from 4,500 local residents and businesses. There were two specific events to consult on strategic housing

priorities, together with housing-related findings from a range of other engagement activities, for example:

- A housing stakeholder engagement event took place in November 2015, involving Housing Associations, private developers, voluntary organisations and officers from housing and housing-related services from across the Council.
- A housing public meeting took place in March 2016, hosted by the Mayor and a panel of experts and resident representatives.
- A borough-wide housing survey was carried out by Ipsos-MORI, which found that housing affordability was the top concern of Hackney residents.
- The housing concerns expressed in face-to-face interviews with residents were identified and compiled.

Public consultation on the Housing Strategy took place for six weeks from 27 March to 22 May 2017. This included a borough-wide questionnaire survey, which was widely promoted in the print media and social media, and hard copies were made available in Council offices. A total of 150 residents responded to the survey.

Other activities during this period included:

- Letters to the GLA and all housing associations working in the borough, seeking their views and asking housing associations to promote the survey to their tenants
- A presentation and workshop event, to which all housing associations working in the borough were invited
- Updates to meetings of council tenant and resident representatives
- Focus groups with private tenants, who tend to be harder to reach.

A Consultation Report, summarising the findings of this public consultation, has been published on the Council's website: [Consultation Report](#)

The Housing Strategy proposals were supported by a clear majority of those who responded to the survey and by other stakeholders, such as housing associations working in the borough. Those responding also provided a wide range of helpful and constructive comments, concerns and suggestions, and these were taken into account in developing the final proposed Strategy.

In particular, there was broad support from those who responded for:

- Building as many council and housing association homes as possible, genuinely affordable to those on low and medium incomes
- Using council land to build new homes, where there is support from residents
- Addressing the need for high standards of energy efficiency in new and existing homes
- Supporting people to voluntarily move to smaller, more suitable homes
- Helping ensure that local people are given first priority for the purchase of new homes
- Promoting the development of new homes for private rent (provided this is not at the expense of affordable housing)
- Improving conditions in the private rented sector, including tackling bad landlords

- Closer working to provide better and earlier support to residents with health needs
- Helping local residents get jobs, so that they can benefit from the growing economy
- Maintaining our diverse communities, where a mix of people live together in the same neighbourhood.

6.5 Risk Assessment

In terms of the overarching Housing Strategy, the main risk for the Council would be reputational if the Strategy is not implemented over the next five years. As mentioned earlier in the report, a detailed action plan will be developed with Council services following adoption of the Strategy. This action plan will be monitored to ensure implementation, and a report published on the Council's website annually detailing progress made and setting out corrective action / reasons where progress has not been made.

Risks associated with the individual actions will be assessed by lead officers as the detailed action plan is developed, and risks will be registered on team, service, divisional, and/or directorate risk registers as necessary.

In the case of some actions, robust risk assessment, management and mitigation processes are already in place, for example in relation to delivery of the Council's Estate Regeneration and Housing Supply Programmes.

6.6 Governance timetable:

Subject to Cabinet / Council agreement, the governance timetable is as follows:

Cabinet agreement to the Housing Strategy	27 November 2017
Council adoption of the Housing Strategy	24 January 2018
Launch	31 January 2018
Development of a detailed action plan for delivering the strategy	By 31 January 2018
Ongoing oversight of action plan: - 221 meetings between senior managers and the Mayor	Ongoing: every 1-2 months
Annual monitoring of progress against all actions Review and update the action plan as required	By November 2018 and annually to 2021
Agree the annual progress report and any proposed updates to the action plan: - Directorate Management Teams - Mayor / Cabinet to sign off	November 2018 and annually to 2021
Publish annual progress report and updates to the action plan on the Council's website	December 2018 and annually to 2021

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 7.1 The report recommends to agree the report and send to full Council for adoption.
- 7.2 Housing need and affordability is one of the greatest financial difficulties facing residents, which this strategy aims to address along with the provision of good quality homes and everyone sharing in the economic growth in the borough.
- 7.3 Whilst the Housing Strategy does not have any direct financial implications, it supports the continued delivery and management of good quality affordable homes, which is budgeted for within existing plans, and promotes the delivery of affordable housing from partners.

8. COMMENTS OF THE DIRECTOR OF LEGAL

- 8.1 The decision to adopt the Housing Strategy is for full Council as set out in article 4 of the Constitution (as noted in paragraph 6.1 above).
- 8.2 The Housing Strategy is not a statutory requirement, but if a local authority decides to adopt one it must be in general conformity with the London housing strategy as required by section 333D of the Greater London Authority Act 1999 (as amended). Paragraphs 3.9 to 3.10 above confirm that Hackney's Housing Strategy aligns with the draft London Housing Strategy (published in September 2017 and open for public consultation until 7 December 2017).

APPENDICES

1. Hackney Housing Strategy 2017-22
2. Defining 'Affordable Housing' – Frequently Asked Questions
3. Equality Impact Assessment of the Housing Strategy

BACKGROUND PAPERS

The following background paper is available on the Council's website:

- Hackney Housing Strategy 2017-22 Consultation Report: [Consultation Report](#)

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ⁱ *New Homes Bonus, Aggregate number of homes recognised for the five years, 2011-12 to 2015-16, www.gov.uk*

ⁱⁱ *Council records, July 2017*

ⁱⁱⁱ *GLA 2016 Round of Population Projections, published July 2017, Borough populations, central scenario*

^{iv} *ONS, Housing Summary Measures Analysis, published 2017*

^v *London Rents Map, average rents in Hackney, February 2017*